

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ADVANCED BIO-AGRO TECH LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of **ADVANCED BIO-AGRO TECH LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash flow statement and for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements.

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs(financial position) and profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.
3. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

4. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
5. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
6. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures



selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit (financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.


Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the "Annexure A" - a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.



- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has no pending litigations.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M. M. NISSIM & CO
Chartered Accountants
(Firm Regn. No. 107122W)


(N. Kashinath)
Partner
Mem. No.: 036490
Mumbai,




**"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE
ON THE STANDALONE FINANCIAL STATEMENTS OF ADVANCED BIO-AGRO
TECH LIMITED**

- i) In respect of its Fixed Assets:
- a) The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;
 - b) As explained to us, the Assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and the nature of its business. The frequency of verification is reasonable and no discrepancies have been noticed on such physical verification;
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the company the title deeds of immovable properties are held in the name of the Company.
- ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification;
- iii) The company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the clauses 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv) The Company has not granted any loan, nor given any guarantee or security, during the year, covered by the provisions of Sections 185 and 186 of the Act. The Company has complied with the provisions of Section 185 and 186 of the Act, with respect to making of investment.
- v) The Company has not accepted any deposits during the year from public.
- vi) According to the information and explanations given to us, Central Government has not prescribed maintenance of cost records under section 148 (1) of the Act.
- vii) a) The company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, Goods and Services Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with appropriate authorities, where applicable. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.
- b) According to the records of the company, there are no dues outstanding of income-tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise and value added tax on account of any dispute.



- viii) The company has not defaulted in repayment of its loans or borrowings to banks. The company does not have any borrowings by way of debentures.
- ix) The Company has not raised any moneys by way of Initial public offer or further Public offer (Including debt instruments). Moneys raised by way of Term Loan were applied for the purpose for which those are raised.
- x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- xi) The managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) The company is not a nidhi Company and accordingly provisions of clause (xii) of Para 3 of the order are not applicable to the Company.
- xiii) On the basis of our examination and according to the information and explanations given to us, we report that all the transaction with the related parties are in compliance with Section 177 and 188 of the Act, to the extent applicable, and the details have been disclosed in the Financial statements in Note No. 33 as required by the applicable accounting standards.
- xiv) The company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year and accordingly provisions of clause (xiv) of Para 3 of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly provisions of clause (xv) of Para 3 of the Order are not applicable to the company.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, provisions clause (xvi) of Para 3 of the Order are not applicable to the Company.

For M. M. NISSIM & CO
Chartered Accountants
(Firm Regn. No. 107122W)


(N. Kashinath)
Partner
Mem. No.: 036490
Mumbai,



**"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE
ON THE STANDALONE FINANCIAL STATEMENTS OF ADVANCED BIO-AGRO
TECH LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section
143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls over financial reporting of **ADVANCED BIO-AGRO TECH LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by Institute of Chartered accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For M. M. NISSIM & CO
Chartered Accountants
(Firm Regn. No. 107122W)


(N. Kashinath)

Partner

Mem. No.: 036490

Mumbai,



Advanced Bio-Agro Tech Limited

CIN: U24100MH2004PLC149464

Balance Sheet

as at 31 March, 2018

	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
I. ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	3	23,507,210	25,758,794	28,801,427
(b) Financial Assets				
(i) Loans	4	370,000	370,000	370,000
(c) Deferred tax assets (net)	5	6,025,522	8,123,205	3,783,953
Total non-current assets		29,902,732	34,251,999	32,955,380
(2) Current Assets				
(a) Inventories	6	2,478,938	3,410,665	4,675,735
(b) Financial Assets				
(i) Investments	7	37,376	35,000	-
(ii) Trade receivables	8	131,123,662	118,239,092	138,219,271
(iii) Cash and cash equivalents	9	2,867,565	3,251,165	17,060,802
(iv) Loans	10	30,000	70,400	70,400
(c) Income tax asset		3,701,841	1,677,041	2,540,166
(d) Other current assets	11	1,204,641	1,117,323	908,547
		141,444,023	127,800,686	163,474,921
(3) Non-current assets classified as held for sale				
Total current assets		141,444,023	127,800,686	163,474,921
Total assets		171,346,755	162,052,685	196,430,301
II. EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital	12	1,000,000	1,000,000	1,000,000
(b) Other equity				
(i) Reserves				
1.1 Other Reserves	13	125,088,100	128,561,201	154,146,696
Equity attributable to equity holders		126,088,100	129,561,201	155,146,696
Total equity		126,088,100	129,561,201	155,146,696
(2) Non current liabilities				
(a) Financial liabilities				
(i) Borrowings	14	-	1,075,001	2,062,700
Total non current liabilities		-	1,075,001	2,062,700
(3) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	14	6,187,885	2,285,244	1,818,014
(ii) Trade payables	15	9,747,793	4,382,950	16,832,677
(iii) Other financial liabilities	16	22,939,034	19,582,205	16,073,700
(b) Other current liabilities	17	1,325,410	840,665	700,505
(c) Current provisions	18	5,058,533	4,325,419	3,796,009
(d) Liabilities for current tax (net)		-	-	-
Total Current liabilities		45,258,655	31,416,483	39,220,904
Total liabilities		171,346,755	162,052,685	196,430,301

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For M. M. NISSIM & CO.

Chartered Accountants

Firm Registration no. 107122W

N Kashinath

Partner

M. No.: 36490

Place : Mumbai

Date : 14.05.2018



O. P. Singh

Managing Director

DIN: 00015162

Place : Thane

Date : 14.05.2018

For and on behalf of Board of Directors of

Advanced Bio-Agro Tech Limited

CIN No: U24100MH2004PLC149464

P. C. Rathi

Director

DIN: 00366347

Advanced Bio-Agro Tech Limited

CIN: U24100MH2004PLC149464

Statement of Profit and Loss

for the year ended 31 March 2018

	Note	Year ended on	
		31 March 2018	31 March 2017
INCOME			
I. Revenue from operations	19	422,223,833	392,423,795
II. Other Income	20	561,267	753,569
III. Total Income (I + II)		422,785,100	393,177,364
Expenses:			
Purchases of Stock-in-Trade	21	243,334,536	235,459,885
Changes in inventories of Stock-in-Trade	22	931,728	1,265,070
Employee benefits expense	23	39,907,153	34,570,994
Finance costs	24	307,754	456,186
Depreciation and amortization expense	3	2,566,361	3,234,328
Other expenses	25	59,632,173	54,672,150
IV. Total expenses		346,679,704	329,658,613
V. Profit before tax (III- IV)		76,105,395	63,518,751
VI. Tax expenses:	30		
1. Current tax		19,256,000	27,010,000
(Excess) / short provision for earlier years		360,030	(93,677)
Net current tax		19,616,030	26,916,323
2. Deferred tax		2,123,585	(4,248,200)
VII. Profit for the year (V - VI)		54,365,781	40,850,628
VIII. Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss - Remeasurement of Defined Benefit Plans		93,107	330,471
(ii) Income tax related to items that will not be reclassified to profit or loss	30	(25,902)	(91,053)
		67,205	239,418
IX. Total comprehensive income for the period		54,298,576	40,611,210
X. Earnings per equity share	28		
Basic earnings per share		543.66	408.51
Diluted earnings per share		543.66	408.51

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For **M. M. NISSIM & CO.**

Chartered Accountants

Firm Registration no. 107122W

For and on behalf of Board of Directors of

Advanced Bio-Agro Tech Limited

CIN No: U24100MH2004PLC149464



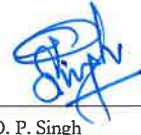

N Kashinath

Partner

M. No.: 36490

Place : Mumbai

Date : 14.05.2018



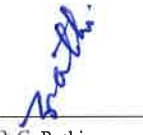
O. P. Singh

Managing Director

DIN: 00015162

Place : Thane

Date : 14.05.2018



P. C. Rathi

Director

DIN: 00366347

Advanced Bio-Agro Tech Limited
CIN: U24100MH2004PLC149464
Statement of Changes in Equity (SOCIE)
for the year ended 31 March 2018

(a) Equity share capital (refer note 12)

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	100,000	1,000,000	100,000	1,000,000	100,000	1,000,000
Changes in equity share capital during the year						
Balance at the end of the year	100,000	1,000,000	100,000	1,000,000	100,000	1,000,000

(b) Other equity (refer note 13)

Particulars	Reserves & Surplus		Other Comprehensive Income	Total Equity
	General reserve	Retained earnings		
Balance at 1 April 2016	6,232,794	126,539,930	-	132,772,724
Ind AS Adjustments	-	21,373,973	-	21,373,973
Changes in accounting policy / prior period errors				
Balance at 1 April 2016	6,232,794	147,913,903	-	154,146,696
Profit for the year		40,850,628		40,850,628
Other comprehensive income for the year		-	(239,418)	(239,418)
Total comprehensive income for the year		40,850,628	(239,418)	40,611,210
Dividend Distribution Tax (DDT)		(7,125,176)		(7,125,176)
Dividends		(35,000,000)		(35,000,000)
Balance at 31 March 2017	6,232,794	122,567,825	(239,418)	128,561,201
Profit for the year		54,365,781		54,365,781
Other comprehensive income for the year		-	(67,205)	(67,205)
Total comprehensive income for the year		54,365,781	(67,205)	54,298,576
Dividend Distribution Tax (DDT)		(9,771,677)		(9,771,677)
Dividends		(48,000,000)		(48,000,000)
Balance at 31 March 2018	6,232,794	119,161,929	(306,623)	125,088,100

Nature and component of equity:

General Reserve

General Reserve represents accumulated profits and is created by transfer of profits from Retained Earnings and it is not an item of Other Comprehensive Income and the same shall not be subsequently reclassified to Statement of Profit and Loss

Remeasurements of Defined Benefit Plans

Gains / Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive Income as per IND AS-19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For M. M. NISSIM & CO.

Chartered Accountants

Firm Registration no. 107122W



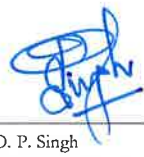

N Kashinath

Partner

M. No.: 36490

Place : Mumbai

Date : 14.05.2018



O. P. Singh

Managing Director

DIN: 00015162

Place : Thane

Date : 14.05.2018

For and on behalf of Board of Directors of

Advanced Bio-Agro Tech Limited

CIN No: U24100MH2004PLC149464



P. C. Rathi

Director

DIN: 00366347

	In Rupees	
	31 March 2018	31 March 2017
A. Cash flow from operating activities :		
Net profit before tax	76,105,395	63,518,751
Adjustment for :		
Depreciation	2,566,361	3,234,328
(Profit)/ Loss on sale of fixed assets	4,158	-
Interest	264,808	410,138
Allowances/ (written back) for bad and doubtful trade receivables	(8,200,024)	17,057,158
Bad and doubtful trade receivables written off	19,854,322	2,866,931
Unrealised foreign exchange loss	-	(196,415)
Unrealised gain on fair value changes of Current Investments	(2,376)	-
Actuarial gains and losses taken to OCI	(93,107)	(330,471)
	<u>14,394,143</u>	<u>23,041,669</u>
Operating Cash Flows before Working Capital Changes	90,499,539	86,560,419
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	931,728	1,265,070
Trade receivables	(24,538,868)	252,505
Current loans	40,400	-
Other current assets	(87,317)	(208,776)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	5,364,843	(12,449,727)
Other Current Financial liabilities	3,269,527	3,429,169
Other Current Liabilities	484,745	140,161
Short Term Provisions	733,114	529,410
	<u>(13,801,829)</u>	<u>(7,042,188)</u>
Cash generated from operations	76,697,710	79,518,231
Direct Taxes paid	(21,640,830)	(26,053,198)
Net Cash Flow from Operating Activities	55,056,879	53,465,033
B. Cash flow from investing activities		
Purchase of current investments	0.00	(35,000)
Proceeds from sale of tangible assets	6,500	-
Purchase of tangible assets	(325,435)	(191,695)
Net Cash (Used) / generated in Investing Activities	(318,935)	(226,695)
C. Cash flow from financing activities		
(Repayment of)/ proceeds from long-term borrowings (net)	(987,699)	(908,363)
(Repayment of)/ proceeds from short-term borrowings (net)	3,902,641	467,230
Interest paid	(264,808)	(410,138)
Dividends paid (including dividend tax)	(57,771,677)	(66,196,705)
Net Cash (Used) / generated in Financing Activities	(55,121,543)	(67,047,976)
Net increase/(decrease) in cash and cash equivalents	(383,599)	(13,809,638)
Cash and cash equivalents as at the beginning of the year	3,251,165	17,060,802
Cash and cash equivalents as at the end of the year	2,867,565	3,251,165

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Cash Flow Statements".

2 Reconciliation of Financing Liabilities

	31 March 2018	31 March 2017
Opening Balance	4,347,944	4,789,077
Cash inflow/ (outflow) of non-current borrowings	(987,699)	(908,363)
Cash inflow / (outflow) of current borrowings	3,902,641	467,230
Closing Balance	<u>7,262,886</u>	<u>4,347,944</u>

As per our attached Report of even date

For M. M. NISSIM & CO.,

Chartered Accountants

Firm Registration no. 107122W



N Kashinath

Partner

M. No.: 36490

Place : Mumbai

Date : 14.05.2018

For and on behalf of Board of Directors of

Advanced Bio-Agro Tech Limited

CIN No: U24100MH2004PLC149464

O. P. Singh

Managing Director

DIN: 00015162

Place : Thane

Date : 14.05.2018

P. C. Rathi

Director

DIN: 00366347

Advanced Bio-Agro Tech Limited

CIN: U24100MH2004PLC149464

Notes to the Financial Statements for the year ended 31 March 2018

1 Overview of the Company

Advanced Bio-Agro Tech Limited ("the Company") was incorporated on 9 November 2004 and is primarily engaged in business of trading of poultry feed and agri products.

2 Basis of preparation of financial statements

Statement of compliance

The financial statements of the Company comply with all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements for the year ended March 31, 2018 are the first financials with comparatives, prepared under Ind AS. For all previous accounting years, the Company had prepared its financial statements in accordance with the accounting standards notified under companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as "Previous GAAP") used for its statutory reporting requirement in India.

The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP"), which is considered as the "Previous GAAP" for purposes of Ind AS 101. An explanation of how the transition to Ind AS has affected the Company's equity and its net profit is provided in Note 34

These financial statements are the first financial statements of the Company under Ind AS

Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the Company's functional currency.

Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- net defined benefit (asset)/ liability that are measured at fair value of plan assets less present value of defined benefit obligations.

2A Use of estimates

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2018 are as follows:

a. Property, plant and equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

c. Recognition of deferred tax assets

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.



When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2B Significant accounting policies:

The accounting policies set out below have been applied consistently to the periods presented in the financial statements.

a. Revenue recognition

- i. Sale of goods is recognized as revenue when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenues are recognized when collectability of the resulting receivable is reasonably assured. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates
- ii. Interest income is recognized on a time proportionate basis, taking into account the amount outstanding and the rates applicable.

b. Property, plant and equipment and depreciation

- i. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost includes taxes, duties, freight and other incidental expenses directly related to acquisition/construction and installation of the assets. Any trade discounts and rebates are deducted in arriving at the purchase price.
- ii. Subsequent expenditure related to an item of tangible assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- iii. Capital work-in-progress includes fixed assets not ready for their intended use and related incidental expenses and attributable interest.
- iv. The estimated useful life of assets are as follows:

Building	30-60 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computer and data processing equipment	3 years

Depreciation on tangible assets other than plant and equipment has been provided on Written Down Value method and on plant and equipment on Straight Line Method. Depreciation is provided on a pro-rata basis, i.e. from the date on which asset is ready for use.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

- v. An item of property, plant and equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the Statement of Profit and Loss.

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101

c. Impairment of Property, plant and equipments

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

d. Inventories

Stock in trade is valued at lower of cost and net realisable value. Cost is determined on weighted average cost method, which is determined on

- i. their specific individual costs which includes only purchase cost.



c. Employee benefits

Employee benefits payable wholly within twelve months of receiving employees services are classified as short-term employee benefits. The short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts.

The Company contributes to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which the employee renders services.

Superannuation benefits, a defined contribution plan, has been funded with Life Insurance Corporation of India and the contribution is charged to Statement of profit and loss, when the contribution to the Fund is due.

iii. Defined benefit plans

The Company provides for gratuity benefit and compensated absences, which are defined benefit plans, covering all its eligible employees. Liability towards gratuity benefits and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations are carried out at the balance sheet date. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. The gratuity benefit and compensated absences scheme is funded with the Life Insurance Corporation of India (LIC).

The short term provision for compensated absences has been calculated on undiscounted basis, based on the balance of leave available over and above the maximum accumulation allowed as per the Company policy.

f. Income taxes

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and Minimum Alternate Tax (MAT) credit entitlement.

Current tax

Current tax is computed and provided for in accordance with the applicable provisions of the Income Tax Act, 1961.

g. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation.

h. Borrowing costs

Borrowing costs incurred on constructing or acquiring a qualifying asset are capitalized as cost of that asset until it is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue and recognized as an expense in the Statement of Profit and Loss.

i. Provisions and contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.



j. Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Assets taken on finance lease

A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets taken on operating lease

Leases other than finance leases are operating leases, and the leased assets are not recognized on the Company's balance sheet. Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease.

k. Cash and cash equivalents

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard. For the purpose of presentation in the Statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However, Bank overdrafts are shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

l. Operating cycle

All assets and liabilities have been classified as current or non-current as per criteria set out in the Schedule III to the Companies Act, 2013.

m. Financial Instruments

a. Financial assets

i. Recognition and initial measurement

Trade receivables and debt instruments issued are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value. In the case of financial assets which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

ii. Classification

On initial recognition, a financial asset is classified as measured at

- amortised cost; or
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI) - debt investment or equity investment

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.



iii Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

iv. Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

v. Impairment of financial assets

In accordance with Ind AS 109, the company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- ii. Trade receivables.

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

b. Financial liabilities

i. Recognition and initial measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value. In the case of financial liabilities which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition or issue of financial liability.

ii Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

n. Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

o. Dividend Distribution to equity shareholders

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.



p. Foreign Currency Transactions

The Financial Statements of Company are presented in INR, which is also its functional currency. In preparing the Financial Statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction. Exchange differences on monetary items are recognised in the Statement of Profit & Loss in the period in which they arise.

2C Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA), on 28 March 2018, notified Ind AS 115, Revenue from Contracts with Customers and Appendix B to Ind AS 21, The Effects of Changes in Foreign Exchange Rates as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. These amendments will come into force from 1st April, 2018.

Ind AS 115 – Revenue from Contract with Customers:

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18, Revenue, Ind AS 11, Construction contracts and the related interpretations when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Identify the contract(s) with a customer, Identify the performance obligations in the contract, Determine the transaction price, Allocate the transaction price to the performance obligations in the contract and Recognise revenue when (or as) the entity satisfies a performance obligation.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e., when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in Ind AS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by Ind AS 115.

The Company has evaluated the effect of these amendments on the financial statement and the impact is not expected to be material.



Advanced Bio-Agro Tech Limited

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Notes to the Financial Statements for the year ended 31 March 2018

3 Property, Plant and Equipment

Gross block	Land Freehold	Buildings	Office Equipments	Furniture and fixtures	Vehicles	Computers	Total
Balance as at 1 April 2016	1,446,313	20,549,866	521,426	3,152,326	2,894,041	237,455	28,801,427
Additions	-	-	-	-	-	191,695	191,695
Disposals	-	-	-	-	-	-	-
Balance as at 31 March 2017	1,446,313	20,549,866	521,426	3,152,326	2,894,041	429,150	28,993,122
Additions	-	-	-	-	-	325,435	325,435
Disposals	-	-	30,378	-	-	205,922	236,300
Balance as at 31 March 2018	1,446,313	20,549,866	491,048	3,152,326	2,894,041	548,664	29,082,257
Accumulated depreciation and amortisation							
Balance as at 1 April 2016	-	-	-	-	-	-	-
Depreciation and amortisation	-	1,101,711	230,240	820,667	914,136	167,574	3,234,328
Balance as at 31 March 2017	-	1,101,711	230,240	820,667	914,136	167,574	3,234,328
Depreciation and amortisation	-	1,038,560	114,878	605,321	613,593	194,008	2,566,361
Reversal on disposal of assets	-	-	27,878	-	-	197,764	225,642
Balance as at 31 March 2018	-	2,140,271	317,240	1,425,988	1,527,729	163,819	5,575,047
Net block							
Balance as at 1 April 2016	1,446,313	20,549,866	521,426	3,152,326	2,894,041	237,455	28,801,427
Balance as at 31 March 2017	1,446,313	19,448,155	291,186	2,331,659	1,979,905	261,576	25,758,794
Balance as at 31 March 2018	1,446,313	18,409,595	173,808	1,726,338	1,366,311	384,845	23,507,210

The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2016 under the previous GAAP

DESCRIPTION	Land Freehold	Buildings	Office Equipments	Furniture and fixtures	Vehicles	Computers	Total
Gross Block	1,446,313	25,112,759	1,747,230	5,107,850	7,286,956	1,616,667	42,317,774
Accumulated Depreciation	-	4,562,893	1,225,804	1,955,523	4,392,915	1,379,211	13,516,347
Net Block	1,446,313	20,549,866	521,426	3,152,326	2,894,041	237,455	28,801,427



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Notes to the Financial Statements for the year ended 31 March 2018

	In Rupees		
	31 March 2018	31 March 2017	1 April 2016
4 Non- Current Loans			
Security Deposits			
- Unsecured, considered good	370,000	370,000	370,000
	<u>370,000</u>	<u>370,000</u>	<u>370,000</u>
5 Deferred Tax Asset (net)			
The breakup of Deferred Tax Assets:			
Arising on account of timing difference in:			
Property, plant and equipment	127,617	181,796	228,586
Deferred Income	547,566	531,461	509,610
Employee benefits	1,553,339	1,390,146	1,461,602
Trade receivables	3,797,000	6,019,802	1,584,155
	<u>6,025,522</u>	<u>8,123,205</u>	<u>3,783,953</u>
6 Inventories (Valued at lower of Cost or Net realisable value)			
Finished goods:			
Stock-in-trade	2,478,938	3,410,665	4,675,735
	<u>2,478,938</u>	<u>3,410,665</u>	<u>4,675,735</u>
7 Current Investments			
Investments in mutual funds			
ICICI Prudential Mutual Fund- "ICICI Prudential Liquid - Growth" (No. of units 145.78)	37,376	35,000	-
	<u>37,376</u>	<u>35,000</u>	<u>-</u>
8 Trade Receivables			
Unsecured			
- Considered good	131,123,662	118,239,092	138,219,271
- Considered doubtful	13,648,455	21,848,479	4,791,321
	<u>144,772,117</u>	<u>140,087,571</u>	<u>143,010,592</u>
Less : Provision for:			
- Doubtful Trade Receivables	13,648,455	21,848,479	4,791,321
	<u>131,123,662</u>	<u>118,239,092</u>	<u>138,219,271</u>
(Refer note 31 for information about credit risk and market risk of trade receivables)			
9 Cash and Cash Equivalents			
Cash and Cash Equivalents (as per IND AS-7 - "Statement of Cash Flows")			
Balances with banks			
- in current accounts	2,863,137	3,230,282	17,039,129
Cash on hand	4,428	20,883	21,673
	<u>2,867,565</u>	<u>3,251,165</u>	<u>17,060,802</u>
10 Current Loans			
Security Deposits			
- Unsecured, considered good	30,000	70,400	70,400
	<u>30,000</u>	<u>70,400</u>	<u>70,400</u>
11 Other Current Assest			
Prepaid expenses	554,185	427,600	156,743
Advance to suppliers	165,536	226,050	277,172
Balance with sales tax authorities	78,837	63,946	50,438
Others	406,082	399,727	424,194
	<u>1,204,641</u>	<u>1,117,323</u>	<u>908,547</u>



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Notes to the Financial Statements for the year ended 31 March 2018

	In Rupees		
	31 March 2018	31 March 2017	1 April 2016
12 Equity Share Capital			
Authorised 1,00,000 Equity Shares of Rs.10/- each	1,000,000	1,000,000	1,000,000
Issued, Subscribed & Paid up 1,00,000 Equity Shares of Rs 10/- each	1,000,000	1,000,000	1,000,000
Reconciliation of Equity share capital	No. of shares	No. of shares	No. of shares
Shares outstanding at the beginning of the Year	100,000	100,000	100,000
Shares Issued during the year	-	-	-
Shares outstanding at the end of the year	100,000	100,000	100,000

a) Rights, preferences and restrictions attached to shares;

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

b) 60,000 shares are held by Advanced Enzyme Technologies Ltd., the holding company.

c) Particulars of shareholders holding more than 5%

Name of Shareholder	No. of Shares held		% of Holding		No. of Shares held		% of Holding	
M/s. Advanced Enzyme Technologies Ltd and its nominees	60,000		60%		60,000		60%	
Mr. Omprakash B. Singh	40,000		40%		40,000		40%	

	In Rupees		
	31 March 2018	31 March 2017	1 April 2016
13 Other Equity			
General Reserve			
Balance as per last Balance Sheet.	6,232,794	6,232,794	6,232,794
Add : Transferred from Statement of Profit and Loss	-	-	-
Closing Balance	6,232,794	6,232,794	6,232,794
Retained earnings			
Balance as per last accounts.	122,328,407	147,913,903	104,161,269
Profit for the year	54,298,576	40,611,210	46,450,190
(-) Interim Dividend	(48,000,000)	(35,000,000)	-
(-) Tax on dividend distributed	(9,771,677)	(7,125,176)	-
(-) Interim Dividend for the year 2016	-	(20,000,000)	-
(-) Tax on dividend distributed for the year 2016	-	(4,071,529)	-
(-) Ind AS adjustments	-	-	(2,697,556)
	118,855,306	122,328,407	147,913,903
Total	125,088,100	128,561,201	154,146,696



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Notes to the Financial Statements for the year ended 31 March 2018

	In Rupees					
	31 March 2018		31 March 2017		1 April 2016	
	Long term	Short term	Long term	Short term	Long term	Short term
14 Borrowings						
Secured						
Term loans						
Vehicle loans	-	-	1,075,001	-	2,062,700	
Loans repayable on demand						
From banks	-	6,187,885	-	2,285,244		1,818,014
Total borrowings	-	6,187,885	1,075,001	2,285,244	2,062,700	1,818,014

a) Details of security for each type of borrowings

(i) Term loans from banks taken for purchase of vehicle are specifically secured by

1. Specified fixed assets exclusively charged in Hire purchase agreement taken from the HDFC Bank repayable in 60 equated monthly instalments beginning from April 5, 2014 at the interest rate of 10.20% (FY 2016-17 @10.20%)

(ii) Working Capital Loan from bank carries an interest rate of 9% to 12%. Loans repayable on demand from banks (Working Capital loans) are secured as under:

1. Negative lien on Land & Building situated at Gat No 551, Off Nashik-Pune Road, Dapurwad Road, Mauje, Musalgaon, Taluka- Sinnar, Dist- Nashik, Sole Charge on Plant & Machinery located at the above address as and when procured.

2. First Exclusive charge on Stocks and Book Debts of the Company.

3. Personal guaranteed by the Managing Director.

b) Terms of repayment of term loans

Term loan

	Payable later than		
	Payable not later than 1 year*	1 year not later five years	Payable after five year
	In Rupees	In Rupees	In Rupees
From banks			
Interest rate			
10.20%	1,075,001	-	-

	In Rupees		
	31 March 2018	31 March 2017	1 April 2016
15 Trade Payables			
Total outstanding dues to micro and small enterprises (Refer Note 37)	63,000	63,000	53,750
Total outstanding dues to others	9,684,793	4,319,950	16,778,927
	9,747,793	4,382,950	16,832,677
16 Current- Other Financial Liabilities			
Current maturities of hire purchase from banks (Refer Note 14)	1,075,001	987,699	908,363
Advances and security deposits from customers	1,079,739	1,131,064	1,423,320
Employee benefits payable	10,293,856	9,418,280	7,109,809
Other payables	10,490,438	8,045,162	6,632,208
	22,939,034	19,582,205	16,073,700
17 Other Current Liabilities			
Provident fund	107,635	96,077	82,755
Other statutory dues	1,217,775	744,588	617,750
	1,325,410	840,665	700,505
18 Current Provisions			
Provision for employee benefits (refer note 29)			
Gratuity (funded)	1,824,655	1,755,090	1,418,940
Compensated Absences (funded)	3,233,878	2,570,329	2,377,069
	5,058,533	4,325,419	3,796,009



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Notes to the Financial Statements for the year ended 31 March 2018

		In Rupees	
		Year ended 31 March 2018	Year ended 31 March 2017
19 Revenue from Operations			
Sale of products	Domestic	403,033,203	370,814,283
	Exports	19,190,630	21,609,512
		<u>422,223,833</u>	<u>392,423,795</u>
Details of products sold			
- Traded goods			
- Animal feed supplements		421,403,518	393,990,362
- Agri Supplies		820,315	3,554,980
		<u>422,223,833</u>	<u>397,545,342</u>
20 Other Income			
Duty Drawback		36,243	137,067
Interest Income		447,995	590,825
Discount received, claims etc		74,653	25,677
Income on Financial assets carried at fair value through profit or loss			
- Net gain on fair value changes of Current Investments		2,376	-
		<u>561,267</u>	<u>753,569</u>
21 Purchases of Stock-in-Trade			
Purchases - Animal Feed Supplies		242,979,584	233,371,467
Purchases - Agri Supplies		354,952	2,088,418
		<u>243,334,536</u>	<u>235,459,885</u>
22 Changes in inventories of finished goods and work-in-progress			
Closing Stock			
Stock-in-trade		2,478,938	3,410,665
Less: Opening Stock			
Stock-in-trade		3,410,665	4,675,735
		<u>931,728</u>	<u>1,265,070</u>
23 Employee Benefits Expense			
Salaries, Wages & Bonus		35,495,939	30,563,018
Contribution to Provident, Gratuity and other funds		2,017,528	1,692,060
Staff welfare expenses		2,393,686	2,315,916
		<u>39,907,153</u>	<u>34,570,994</u>



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Notes to the Financial Statements for the year ended 31 March 2018

	In Rupees	
	Year ended 31 March 2018	Year ended 31 March 2017
24 Finance Costs		
Interest expense	264,808	410,138
Bank charges	42,945	46,048
	307,754	456,186
25 Other Expenses		
Insurance	558,733	414,468
Rent	63,000	60,000
Rates and taxes	435,285	91,475
Printing and stationery	1,167,169	267,669
Legal and professional fees	13,159,416	5,864,075
Auditors' remuneration		
Audit fees	69,000	69,000
Repairs and maintenance	295,920	132,402
Donation	-	107,002
Loss on sale of asset	4,158	-
Exchange fluctuation	179,265	274,168
Travel and conveyance expenses	13,173,628	11,643,307
Communication	1,097,411	1,031,600
Commission on sales	715,766	484,088
Advertisement and sales promotion	5,124,169	4,682,656
Freight outward and forwarding	8,769,843	7,874,104
Provision for doubtful debts (net)	-	17,057,158
Bad debts written off	19,854,322	2,866,931
Less: Provision for doubtful debts	(8,200,024)	-
	11,654,298	-
Corporate social responsibility expenses (refer note no 36)	1,215,400	800,000
General expense	1,949,712	952,047
	59,632,173	54,672,150



26 Segment Reporting - Disclosures under Ind AS 108 - "Operating Segment":

i. Entity wide disclosure required by Ind AS 108 are as detailed below:

	Year ended 31 March 2018	Year ended 31 March 2017
Bio- chaemicals	422,223,833	392,423,795
Others	-	-
	422,223,833	392,423,795

ii. Geographic information

The geographic information analyses the Group's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

	Year ended 31 March 2018	Year ended 31 March 2017
a. Revenue from external customers		
Within India	403,033,203	370,814,283
Outside India	19,190,630	21,609,512
	422,223,833	392,423,795

	31 March 2018	31 March 2017	1 April 2016
b. Non-current assets (other than financial instruments and deferred tax assets)			
Within India	23,877,210	26,128,794	29,171,427
Outside India	-	-	-
	23,877,210	26,128,794	29,171,427

iii. Major customer

Revenue from one customer based in India represented Rs. 129.60 million (previous year Rs. 124.95 million) out of the total revenues.

27 Leases

Operating leases

The Company has taken certain facilities under operating lease arrangements. The lease can be terminated at the option of either parties by giving due notice. The rental expenses under operating leases "Other expenses" in the statement of profit and loss. The Company does not have any non-cancellable leasing arrangements. The lease rentals recognised in the Statement of Profit and Loss (Refer note 23) for the year are Rs. 63,000/- (previous year Rs. 60,000/-).

28 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

i. Profit attributable to Equity holders

	31 March 2018	31 March 2017
Profit attributable to equity holders	54,365,781	40,850,628

ii. Weighted average number of ordinary shares

	31 March 2018	31 March 2017
Issued ordinary shares at 1 April	100,000	100,000
Effect of fresh issue of shares for cash	-	-
Weighted average number of shares at 31 March for basic EPS	100,000	100,000
Weighted average number of shares at 31 March for diluted EPS	100,000	100,000

Basic and Diluted earnings per share

	31 March 2018	31 March 2017
Basic earnings per share	543.66	408.51
Diluted earnings per share	543.66	408.51



29. Post-Employment Benefits

The Company contributes to the following post-employment plans in India.

Defined Benefit Plan:

The Company provides for gratuity benefit and compensated absences, which are defined benefit plans, covering all its eligible employees. The Company has taken a group gratuity and compensated absences policy for its employees with the Life Insurance Corporation of India (LIC). Under gratuity policy, the eligible employees are entitled to receive gratuity payments upon their resignation or death (subject to completion of 4.5 years of employment) in lumpsum after deduction of necessary taxes.

This plan exposes the Company to actuarial risks such as longevity risk, interest rate risk and market (investment) risk.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

	31 March 2018		31 March 2017		1 April 2016	
	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences
Defined benefit obligation	3,659,847	4,239,197	3,162,226	3,503,847	2,278,131	2,761,507
Fair value of plan assets	1,835,192	1,005,319	1,407,136	933,518	859,191	384,438
Net defined benefit (obligation)/assets	1,824,655	3,233,878	1,755,090	2,570,329	1,418,940	2,377,069

i) Reconciliation in present value of obligations ('PVO') – defined benefit obligation:

	Defined benefit obligation					
	31 March 2018		31 March 2017		1 April 2016	
	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences
Opening balance	3,162,226	3,503,847	2,278,131	2,761,507	1,683,811	1,855,874
Included in profit or loss						
Current service cost	529,068	368,590	413,429	315,484	366,382	228,981
Interest cost	226,491	272,953	178,773	215,093	128,875	141,695
	3,917,785	4,145,390	2,870,333	3,292,084	2,179,068	2,226,550
Included in OCI	92,400	459,547	324,089	257,574	99,063	535,111
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	-	-	-	-	-	235,626
Financial assumptions	(466,685)	109,110	202,576	-	(48,102)	(52,278)
Experience adjustment	559,085	350,437	121,513	257,574	147,165	351,763
	4,010,185	4,604,937	3,194,422	3,549,658	2,278,131	2,761,661
Benefits paid	(350,338)	(365,740)	(32,196)	(45,811)	-	(154)
Closing balance	3,659,847	4,239,197	3,162,226	3,503,847	2,278,131	2,761,507

ii) Change in fair value of plan assets

	Fair value of plan assets					
	31 March 2018		31 March 2017		1 April 2016	
	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences
Opening balance	1,407,136	933,518	859,191	384,438	668,621	300,794
Included in profit or loss						
Expenses deducted from the fund	-	-	(1,681)	(925)	(4,355)	(2,208)
Expected return on plan assets	118,425	83,264	82,401	38,657	70,403	32,332
	1,525,561	1,016,782	939,911	422,170	734,669	330,918
Included in OCI	(707)	(14,095)	(6,382)	(14,452)	(11,182)	(6,616)
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Experience adjustment	(707)	(14,095)	(6,382)	(14,452)	(11,182)	(6,616)
	1,524,854	1,002,687	933,529	407,718	723,487	324,302
Other						
Contributions paid by the employer	310,338	2,632	473,607	525,800	135,704	60,136
Closing balance	1,835,192	1,005,319	1,407,136	933,518	859,191	384,438



iii) **Expense recognised in the Statement of Profit and Loss:**

	31 March 2018		31 March 2017	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Current service cost	529,068	368,590	413,429	315,484
Interest cost	108,066	189,689	96,372	176,436
Net value of remeasurements on the obligation and plan assets		473,642		272,026
Expenses deducted from the fund			1,681	925
Total expense recognised in the Statement of Profit and Loss	637,134	1,031,921	511,482	764,871

iv) **Other Comprehensive Income:**

	31 March 2018		31 March 2017	
	Gratuity		Gratuity	
Actuarial loss / (gain) from:				
-Financial assumptions		(466,685)		202,576
-Experience adjustment		559,085		121,513
Return on plan assets excluding net interest		707		6,382
Total amount recognised in OCI		93,107		330,471

v) **Plan assets**

Plan assets comprise the following

	31 March 2018	31 March 2017	1 April 2016
Policy of insurance	100%	100%	100%
	100%	100%	100%

vi) **Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	31 March 2018		31 March 2017		1 April 2016	
	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences
Policy of insurance	100%	100%	100%	100%	100%	100%
Discount rate	7.60%	7.60%	7.25%	7.95%	7.95%	7.95%
Rate of return on plan assets	7.60%	7.60%	7.25%	7.95%	7.95%	7.95%
Salary Escalation	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Withdrawal rates	5% at younger ages reducing to 1% at older ages		5% at younger ages reducing to 1% at older ages		5% at younger ages reducing to 1% at older ages	
Leave availment rates	- 0.5%		- 0.5%		- 0.5%	
Retirement age	60 years		60 years		60 years	

Mortality rates As published under the Indian assured lives mortality (2006-08) table

Assumptions regarding future mortality have been based on published statistics and mortality tables.

vii) **Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 March 2018		31 March 2017		1 April 2016	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	3,853,803	4,178,249	3,015,408	3,320,480	Not Available	
Future salary growth (0.5% movement)	4,176,802	3,853,665	3,318,589	3,015,740	Not Available	

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

viii) **Expected future cash flows**

The expected future cash flows in respect of gratuity as at 31 March 2018 were as follows:

The expected contributions for defined benefit plan for the next financial year will be Rs. 566,586/-

Expected future benefit payments

31 March 2019	83,724
31 March 2020	92,099
31 March 2021	300,167
31 March 2022	1,340,172
31 March 2023	80,811
Thereafter	1,091,069



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30 Income taxes

Tax expense

(a) Amounts recognised in profit and loss

	Year ended 31 March 2018	Year ended 31 March 2017
Current income tax:	19,256,000	27,010,000
Changes in estimates related to prior period	360,030	(93,677)
	<u>19,616,030</u>	<u>26,916,323</u>
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	2,123,585	(4,248,200)
Deferred tax expense	2,123,585	(4,248,200)
Tax expense for the year	<u>21,739,615</u>	<u>22,668,123</u>

(b) Amounts recognised in other comprehensive income

	Year ended 31 March 2018			Year ended 31 March 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of Defined Benefit Plans	93,107	(25,902)	67,205	330,471	(91,053)	239,418
	<u>93,107</u>	<u>(25,902)</u>	<u>67,205</u>	<u>330,471</u>	<u>(91,053)</u>	<u>239,418</u>

(c) Reconciliation of effective tax rate

	Year ended 31 March 2018	Year ended 31 March 2017
Profit before tax	76,105,395	63,518,751
Tax using the Company's domestic tax rate (31 March 2018 : 25.75%, 31 March 2017 : 30.90%)	20,968,939	21,001,204
Tax effect of:		
Permanent differences	334,873	264,504
Change in tax rate	(52,424)	1,500,138
Prior period tax	360,030	(93,677)
Others	128,307	(4,047)
Tax expense as per profit or loss	<u>21,739,726</u>	<u>22,668,123</u>



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Income taxes (continued)

(d) Movement in deferred tax balances

	31 March 2018						
	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	Others	Net deferred tax asset/liability	Deferred tax asset	Deferred tax liability
Deferred tax asset							
Property, plant and equipment	181,796	(54,179)	-	-	127,617	127,617	-
Deferred Income	531,461	16,105	-	-	547,566	547,566	-
Employee benefits	1,390,146	137,291	25,902	-	1,553,339	1,553,339	-
Trade receivables	6,019,802	(2,222,802)	-	-	3,797,000	3,797,000	-
Tax assets (Liabilities)	8,123,206	(2,123,585)	25,902	-	6,025,523	6,025,523	-

(e) Movement in deferred tax balances

	31 March 2017						
	Net balance 1 April 2016	Recognised in profit or loss	Recognised in OCI	Others	Net deferred tax asset/liability	Deferred tax asset	Deferred tax liability
Deferred tax asset							
Property, plant and equipment	228,586	(46,790)	-	-	181,796	181,796	-
Deferred Income	509,610	21,851	-	-	531,461	531,461	-
Employee benefits	1,461,602	(162,510)	91,053	-	1,390,146	1,390,146	-
Trade receivables	1,584,155	4,435,648	-	-	6,019,802	6,019,802	-
Tax assets (Liabilities)	3,783,953	4,248,199	91,053	-	8,123,206	8,123,206	-

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.



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Notes to the Financial Statements for the year ended 31 March 2018

31. Financial instruments

1. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value

31 March 2018	Note No.	FVTPL	FVTOCI	Carrying amount		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Fair value	
				Amortised Cost	Total			Significant unobservable inputs (Level 3)	Total
Financial assets									
Investments	7	37,376	-	-	37,376	37,376	-	-	37,376
Loans - Non current	0	-	-	370,000	370,000	-	370,000	-	370,000
Trade receivables	8	-	-	131,123,662	131,123,662	-	-	131,123,662	131,123,662
Cash and cash equivalents	9	-	-	2,867,565	2,867,565	-	-	2,867,565	2,867,565
Loans	10	-	-	30,000	30,000	-	-	30,000	30,000
		37,376	-	134,391,227	134,428,604	37,376	370,000	134,021,227	134,428,604
Financial liabilities									
Borrowings	14	-	-	6,187,885	6,187,885	-	-	-	-
Trade payables	15	-	-	9,747,793	9,747,793	-	-	-	-
Other financial Liabilities	16	-	-	22,939,034	22,939,034	-	-	-	-
		-	-	38,874,712	38,874,712	-	-	-	-

31 March 2017	Note No.	FVTPL	FVTOCI	Carrying amount		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Fair value	
				Amortised Cost	Total			Significant unobservable inputs (Level 3)	Total
Financial assets									
Investments	7	35,000	-	-	35,000	35,000	-	-	35,000
Loans - Non current	0	-	-	370,000	370,000	-	370,000	-	370,000
Trade receivables	8	-	-	118,239,092	118,239,092	-	-	118,239,092	118,239,092
Cash and cash equivalents	9	-	-	3,251,165	3,251,165	-	-	3,251,165	3,251,165
Loans	10	-	-	70,400	70,400	-	-	70,400	70,400
		35,000	-	121,930,657	121,965,657	35,000	370,000	121,560,657	121,965,657
Financial liabilities									
Borrowings - Non current	14	-	-	1,075,001	1,075,001	-	1,075,001	-	1,075,001
Borrowings	14	-	-	2,285,244	2,285,244	-	-	-	-
Trade payables	15	-	-	4,382,950	4,382,950	-	-	-	-
Other financial Liabilities	16	-	-	19,582,205	19,582,205	-	-	-	-
		-	-	27,325,400	27,325,400	-	1,075,001	-	1,075,001

1 April 2016	Note No.	FVTPL	FVTOCI	Carrying amount		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Fair value	
				Amortised Cost	Total			Significant unobservable inputs	Total
Financial assets									
Loans - Non current		-	-	370,000	370,000	-	370,000	-	370,000
Trade receivables	8	-	-	138,219,271	138,219,271	-	-	138,219,271	138,219,271
Cash and cash equivalents	9	-	-	17,060,802	17,060,802	-	-	17,060,802	17,060,802
Loans	10	-	-	70,400	70,400	-	-	70,400	70,400
		-	-	155,720,473	155,720,473	-	370,000	155,350,473	155,720,473
Financial liabilities									
Borrowings - Non current	14	-	-	2,062,700	2,062,700	-	2,062,700	-	2,062,700
Borrowings	14	-	-	16,832,677	16,832,677	-	-	-	-
Trade payables	15	-	-	16,073,700	16,073,700	-	-	-	-
Other financial Liabilities	16	-	-	700,505	700,505	-	-	-	-
		-	-	35,669,582	35,669,582	-	2,062,700	-	2,062,700

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used:

Financial instruments measured at fair value

Type	Valuation technique
Non current financial assets / liabilities measured at amortised cost	Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.



Financial instruments – Fair values and risk management

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

At 31 March 2018, the Company's most significant customer accounted for INR 50.39 million of the trade and other receivables carrying amount (31 March 2017 : INR 42.04 million).

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	Carrying Amount	31 March 2018 Weighted Average Loss Rate	Loss Allowance
Not due	60,323,700	0.5%	298,208
0-90 days	62,185,873	0.6%	356,275
90-180 days	3,812,150	4.4%	166,358
180-270 days	656,723	18.1%	119,006
270-360 days	1,269,708	32.0%	406,237
More than 360 days	16,523,964	74.5%	12,302,372
	<u>144,772,117</u>		<u>13,618,455</u>

	Carrying Amount	31 March 2017 Weighted Average Loss Rate	Loss Allowance
Not due	51,459,590	0.3%	149,710
0-90 days	41,505,271	0.3%	144,366
90-180 days	2,052,900	1.9%	39,960
180-270 days	3,093,123	6.0%	187,000
270-360 days	163,608	20.6%	33,717
More than 360 days	41,813,079	50.9%	21,293,726
	<u>140,087,571</u>		<u>21,818,479</u>

	Carrying Amount	1 April 2016 Weighted Average Loss Rate	Loss Allowance
Not due	57,419,247	0.8%	477,434
0-90 days	33,649,576	0.9%	310,258
90-180 days	5,016,785	4.5%	226,728
180-270 days	1,982,314	15.0%	297,469
270-360 days	27,742,574	1.5%	408,716
More than 360 days	17,200,095	17.9%	3,070,716
	<u>143,010,592</u>		<u>4,791,321</u>

Expected credit loss assessment for customers as at 1 April 2016, 31 March 2017 and 31 March 2018

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Particulars	Amount
Balance as at April 1, 2016	4,791,321
Impairment loss recognised	19,924,089
Amounts written off	2,866,931
Balance as at March 31, 2017	21,848,479
Impairment loss recognised	11,654,298
Amounts written off	19,854,322
Balance as at March 31, 2018	13,648,455

The impairment loss at March 31, 2018 related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents

The Company held cash and cash equivalents of INR 2.87 million at 31 March 2018 (31 March 2017: INR 3.25 million, April 1, 2016 : INR 17.06 million). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.



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Notes to the Financial Statements for the year ended 31 March 2018

Financial instruments – Fair values and risk management

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit which carry no/low mark to market risks. The Company monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments

31 March 2018	Carrying amount	Total	Contractual cash flows			
			Upto 1 year	1-3 years	3-5 years	More than 5 years
Long term borrowings	-	-	-	-	-	-
Principal Amount						
Interest	-	-	-	-	-	-
Short term borrowings	6,187,885	6,187,885	6,187,885	-	-	-
Trade payable	9,747,793	9,747,793	9,747,793	-	-	-
Other financial liabilities	22,939,034	22,939,034	22,939,034	-	-	-

31 March 2017	Carrying amount	Total	Contractual cash flows			
			Upto 1 year	1-3 years	3-5 years	More than 5 years
Long term borrowings	1,075,001	1,075,001	-	1,075,001	-	-
Principal Amount						
Interest	61,339	61,339	-	61,339	-	-
Short term borrowings	2,285,244	2,285,244	2,285,244	-	-	-
Trade payable	4,382,950	4,382,950	4,382,950	-	-	-
Other financial liabilities	19,582,205	19,582,205	19,582,205	-	-	-

1 April 2016	Carrying amount	Total	Contractual cash flows			
			Upto 1 year	1-3 years	3-5 years	More than 5 years
Long term borrowings	2,062,700	2,062,700	-	2,062,700	-	-
Principal Amount						
Interest	228,280	228,280	-	228,280	-	-
Short term borrowings	1,818,014	1,818,014	1,818,014	-	-	-
Trade payable	16,832,677	16,832,677	16,832,677	-	-	-
Other financial liabilities	16,073,700	16,073,700	16,073,700	-	-	-



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Notes to the Financial Statements for the year ended 31 March 2018

Financial instruments – Fair values and risk management (continued)

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.



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Notes to the Financial Statements for the year ended 31 March 2018

Financial instruments – Fair values and risk management (continued)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	31 March 2018	31 March 2017	31 March 2016
Fixed-rate instruments			
Financial liabilities - measured at amortised cost			
Vehicle Loan	1,075,001	2,062,700	2,971,063
Floating-rate instruments			
Financial liabilities - measured at amortised cost			
From banks in rupees	6,187,885	2,285,244	1,818,014
Total	7,262,886	4,347,944	4,789,077

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

The risk estimates provided assume a change of 25 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date assuming that all other variables, in particular foreign currency exchange rates, remain constant. The period end balances are not necessarily representative of the average debt outstanding during the period.

Cash flow sensitivity (net)

31 March 2018

Variable-rate loan instruments
Cash flow sensitivity (net)

Profit or loss	
25 bp increase	25 bp decrease
(15,470)	15,470
(15,470)	15,470

31 March 2017

Variable-rate loan instruments
Cash flow sensitivity (net)

(5,713)	5,713
(5,713)	5,713



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Notes to the Financial Statements for the year ended 31 March 2018

32. Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

	31 March 2018	31 March 2017	1 April 2016
Non-current borrowings	-	1,075,001	2,062,700
Current borrowings	6,187,885	2,285,244	1,818,014
Current maturity of long term debt	1,075,001	987,699	908,363
Gross debt	7,262,886	4,347,944	4,789,077
Less - Cash and cash equivalents	2,867,565	3,251,165	17,060,802
Less - Other bank deposits	-	-	-
Adjusted net debt	4,395,321	1,096,779	(12,271,725)
Total equity	126,088,100	129,561,201	155,146,696
Adjusted net debt to equity ratio*	0.03	0.01	(0.08)

*Negative figure indicates excess of cash and cash equivalent over gross debt



Explanatory Information to the financial statement for the period ended 31 March 2018 contd

In Rupees

33 Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

A Relationships:

I Holding Company

Advanced Enzyme Technologies Limited

II Fellow Subsidiaries

Advanced Enzytech Solutions Limited

JC Biotech Private Limited (w.e.f. 1 December 2016)

Advanced Enzymes, USA

Cal India Food International, USA (subsidiary of Advanced Enzymes USA, Inc.)

Advanced Supplementary Technologies Corporation, USA (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)

Dynamic Enzymes Inc., USA (Wholly owned subsidiary of Advanced Enzymes USA)

Enzyme Innovation Inc., USA (Wholly owned subsidiary of Cal India Foods International)

Enzyfuel Innovation Inc., USA (Wholly owned subsidiary of Advanced Enzymes USA, Inc. up to 19 September 2017)

Advanced Enzymes, Malaysia Sdn. Bhd., Malaysia (Subsidiary of Advanced Enzyme Technologies Limited w.e.f. 3 July 2017 up to

11 March 2018) (Wholly owned subsidiary of Advanced Enzyme Technologies Limited w.e.f. 12 March 2018)

Advanced Enzymes Europe B.V., Netherland (w.e.f. 11 July 2017)

Evossx Technologies GMBH, Germany (Wholly owned subsidiary of Advanced Enzymes Europe B. V.) (w.e.f. 15 August 2017)

III Key Management Personnel

Managing Director :

Mr. Omprakash B. Singh

IV Other Related Parties (in which either of the directors or their relatives have significant influence)

Advanced Vital Enzymes Pvt. Ltd

B. Nature of transactions:

The following transactions were carried out with the related parties mentioned in A above, in the ordinary course of business.

	Holding Company			KMP	
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017
1 Purchases of Goods					
Advanced Enzyme Technologies Ltd	239,425,511	233,283,857		-	-
	Other Related Party				
	31 March 2018	31 March 2017			
2 Purchases of Goods					
Advanced Vital Enzymes Pvt. Ltd	1,470,175	2,935,788		-	-
3 Remuneration to Directors & their Relatives					
Mr. Omprakash B. Singh	-	-		5,144,836	4,376,142
	31 March 2018	31 March 2017	1 April 2016		
4 Accounts Payable					
Advanced Enzyme Technologies Ltd	9,684,793	4,319,950	14570557	-	-
Advanced Vital Enzymes Pvt. Ltd	-	-	317940	-	-
5 Dividend Paid	31 March 2018	31 March 2017			
Advanced Enzyme Technologies Ltd	28,800,000	33,000,000		-	-
Mr. Omprakash B. Singh	-	-		19,200,000	22,000,000

No amount has been provided as doubtful debts or advances / written off or written back in the year under audit in respect of debts due from / to above related parties.



Advanced Bio-Agro Tech Limited

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Notes to the Financial Statements for the year ended 31 March 2018

34. Transition to Ind AS:

For the purposes of reporting as set out in Note 1, we have transitioned our basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the "transition date").

In preparing our opening Ind AS balance sheet, we have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables.

A) Reconciliation of equity reported

Particulars	Footnote ref.	As on 1 April 2016	As on 31 March 2017
Equity reported under IGAAP		133,772,724	130,434,681
Summary of Ind AS adjustments			
Provision for doubtful debts under Expected Credit Loss Model	1	(4,791,321)	(1,939,254)
Interim Dividend for the year 2016	4	20,000,000	-
Dividend Distribution Tax (DDT) for the year 2016	4	4,071,529	-
Deferred tax on above adjustments	3	1,584,155	534,313
Deferred tax on indexation benefit of land	2	509,610	531,461
Total Ind AS Impact		21,373,973	(873,480)
Equity reported under Ind AS		155,146,696	129,561,201

B) Reconciliation of total comprehensive income

Particulars	Footnote ref.	As on 31 March 2017
Net profit reported under IGAAP		38,787,133
Add/ (less): adjustments for GAAP differences		
Provision for doubtful debts under Expected Credit Loss Model	1	2,852,067
Deferred tax on land Indexation	2	21,851
Deferred tax on above adjustments	3	(1,049,842)
Net profit reported under Ind AS		40,611,210

C) Reconciliation of statement of Cash Flow

There were no material differences between the Statement of Cash Flows presented under Ind AS and under IGAAP.

1. Trade and other receivables

Under Indian GAAP, the Group has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind-AS, impairment allowance has been determined based on Expected Loss model (ECL).

2. Land Indexation

Under Ind AS, deferred tax is determined with reference to the balance sheet approach. Accordingly, the Company will be required to recognise deferred tax on account of indexation benefit on freehold land.

3. Other deferred tax adjustments :

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

4. Proposed dividend:

Under previous GAAP, proposed dividends are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Company (usually when approved by shareholders in a general meeting) or paid.

In the case of the Company, the declaration of dividend has occurred after period end. Therefore, the liability recorded for this dividend and tax thereon, has been derecognised against retained earnings.

5. Actuarial gain and loss

Under previous GAAP, the Company recognised remeasurement of defined benefit plans under profit or loss. Under Ind AS, remeasurement of defined benefit plans are recognised in Other Comprehensive Income.

6. Revenue

Under Ind AS, revenue is recognised at the fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as sales tax, value added tax and goods and service tax except excise duty. Discounts given include rebates and incentives given to customers which have been reclassified from other expenses under Previous GAAP and netted from revenue under Ind AS.



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Notes to the Financial Statements for the year ended 31 March 2018

35. Exemptions and exceptions availed

1. Ind AS mandatory exceptions

1.1 Estimates

The estimates at 1st April 2016 and 31st March 2017 are consistent with those made for the same dates in accordance with the Indian GAAP (after adjustments to reflect any differences if any, in accounting policies). The Company has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

1. Investment in equity instruments carried at FVTPL;
2. Determination of the discounted value for financial instruments carried at amortised cost.

1.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions prospectively

1.3 Classification and measurement of financial assets

The Company has classified and measured the financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

2. Ind AS optional exemptions

2.1 Deemed cost

The Company has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as the deemed cost at the date of transition to Ind AS, measured as per the previous GAAP



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Notes to the Financial Statements for the year ended 31 March 2018

36 As required by section 135 of Companies Act, 2013 and Rules therein, a Corporate social responsibility committee has been formed by the Company. The Company has spent the following amount during the year towards corporate social responsibility (CSR) for activities listed under schedule VII of the Companies Act, 2013.

- a. Gross amount required to be spent by the Company during the year 2016-17 Rs. 1,215,352/- (previous year Rs. 1,173,274/-).
Amount spent by the Company during the year on purpose other than construction/ acquisition of assets is Rs. 1,215,400/- (previous year Rs. 800,000/-)

37 Dues to Micro and Small enterprises under Micro, Small and Medium Enterprise Development Act, 2006; (MSMED)

The information given below and included in Trade Payable (Note 5) and Other Current Liabilities (Note 6) regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

31 March 2018	31 March 2017	1 April 2016
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Principal amount due to suppliers under MSMED	63,000	63,000	53,750
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Note: Other information/ disclosures relating to payments made beyond appointed date, interest accrued & paid and cumulative interest are not applicable, being NIL.

For M. M. NISSIM & CO.

Chartered Accountants

Firm Registration no. 107122W

N Kashinath

Partner

M. No.: 36490

Place : Mumbai

Date : 14.05.2018

For and on behalf of Board of Directors of

Advanced Bio-Agro Tech Limited

CIN No: U24100MH2004PLC149464

O. P. Singh

Managing Director

DIN: 00015162

Place : Thane

Date : 14.05.2018

P. C. Rathi

Director

DIN: 00366347